

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2631 – SB 3400

February 20, 2012

SUMMARY OF BILL: Designates Masons and Tennessee Fraternal Order of Police (FOP) license plates as specialty earmarked plates rather than their current status as new specialty earmarked plates and allocates revenues from such plates to these organizations.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue - \$96,407/Tennessee Arts Commission/FY12-13 and
Subsequent Years
\$24,102/Highway Fund/FY12-13 and Subsequent Years**

Assumptions:

- Current motor vehicle law Tenn. Code Ann. § 55-4-202(c)(6)& (7) provides for the registration of new specialty earmarked license plates and specialty earmarked license plates for various organizations including the Masons and Tennessee Fraternal Order of Police.
- For fiscal year 2011, there were 5,011 license plates sold for the Tennessee Fraternal Order of Police and 2,827 license plates sold for the Masons for a combined total of 7,838 plates.
- The current allocation per plate (for new specialty earmarked plates), after plate cost, is 50 percent to the recipient organization, 40 percent to the Tennessee Arts Commission and 10 percent to the Highway Fund.
- Specialty earmarked plates apportion 100 percent of plate revenue less the plate cost to the recipient organization.
- According to the Department of Revenue, 7,838 plates currently derive \$120,509.25 for the recipient organization (50 percent); \$96,407.40 for the Tennessee Arts Commission (40 percent); and \$24,101.85 for the Highway Fund (10 percent).
- With 100 percent of the net revenue or \$241,018.50 going to the designated recipient organizations under this bill, compared to the current allocation, the distribution represents a 50 percent (40% + 10%) distributed state funds loss or \$120,509.25 in total loss in revenue (\$96,407 – Tennessee Arts Commission and \$24,102 – Highway Fund). The combined Mason and FOP recipients will increase their revenue by this amount.
- The resulting increase in revenue will be \$77,044.12 for the Tennessee FOP and \$43,465.13 for the Masons. The specific benefactors affected are the Tennessee Fraternal Order of Police Charitable Foundation and the Masonic Widows' and Orphans' Home of Tennessee, respectively.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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